



STATE OF DELAWARE  
**THE PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BOULEVARD, SUITE 100  
CANNON BUILDING  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500  
FAX: (302) 739-4849

**RE: IN THE MATTER OF THE APPLICATION OF TIDEWATER  
UTILITIES, INC. FOR A GENERAL RATE  
INCREASE IN WATER BASE RATES AND TARIFF REVISIONS  
(FILED September 15, 2011)  
PSC DOCKET NO. 11-397**

**NOTICE OF PUBLIC COMMENT SESSIONS**

**TO: ALL CUSTOMERS OF TIDEWATER UTILITIES, INC.**

A Hearing Examiner of the Delaware Public Service Commission ("the Commission") will conduct Public Comment Sessions concerning the above-captioned case (as further explained below) at the following times and locations:

DATE	TIME	LOCATION
Wednesday January 11, 2012	7:00 PM	Delaware Public Service Commission Hearing Room 861 Silver Lake Blvd. Suite 100 Dover, DE 19904
Wednesday January 18, 2012	7:00 PM	Delaware Tech (DTCC) Jack F. Owens Campus Arts & Science Center The Theatre Georgetown, DE 19947

DATE	TIME	LOCATION
Wednesday January 25, 2012	7:00 PM	VFW Post 3792 5695 Summit Bridge Rd. Townsend, DE 19734

On September 15, 2011, Tidewater Utilities, Inc. ("Tidewater" or the "Company") filed with the Commission an application (the "Application") seeking approval for a general increase in its water rates representing an overall increase in annual operating revenues of \$6,852,236 or 29.37% over current revenues.

Tidewater's Application states that "Tidewater is seeking an increase in base rates due to increasing operating expenses and significant capital investment in utility plant to continue to provide safe, proper and adequate water service to its customers." Tidewater's Application further states that "[a]s growth occurs, further integration of new and existing [water] systems into regional districts is likely, as further economies of scale can be achieved thereby, resulting in greater cost-effective business processes for the benefit of our customers."

Tidewater's Application proposed new rates represent an overall increase of 29.37%, specifically: 1) increasing residential, apartment and commercial rates, including seasonal customers; 2) increasing facilities charges; 3) increasing public fire protection charges; 4) *decreasing* private fire protection charges; 5) increasing service connection charges for Tidewater customers; and 6) increasing rates regarding various wholesale water sales contracts between Tidewater and the Town of Ocean

View, Dover Air Force Base off-base Housing and another regulated water utility, Southern Shores Water Company.

As required by the Commission to promote water conservation, Tidewater is also proposing to change its billing of metered residential customers to "inclinining block rates" based upon the volume of water used in a quarter. With inclinining block rates, as a customer uses more water, that customer pays more for the water the customer uses. According to Tidewater's Application, commercial and apartment customers would continue to be billed for all consumption at one rate, as opposed to inclinining block rates.

In its Application, Tidewater proposes nineteen (19) capital projects totaling approximately \$8,383,500 located throughout its service territory. The two (2) largest proposed capital projects are: 1) installing a Supervisory Control and Data Acquisition (SCADA) system project for its Sussex County water production facilities. The SCADA system allows water production plants and wells to be monitored and controlled remotely (estimated cost: \$1.567 million); and 2) and completely replacing the Angola By The Bay Distribution System including mains, meters and valves (estimated cost: \$3.153 million).

On October 3, 2011, pursuant to 26 Del. C. §306(a)(1), the Commission suspended the effectiveness of the proposed increased rates and any new tariffs, pending further investigation and public evidentiary hearings. However, after Tidewater exercised its statutory right under 26 Del. C. §306(c) to place a reduced

portion of the proposed rate increase into effect, under bond and subject to refund, the Commission approved that temporary increase effective on and after November 15, 2011.

Public Comment Sessions are for the purpose of receiving statements from customers concerning the Company's Application, the proposed rates, and the service being provided. Anyone who plans to attend a Public Comment Session is cautioned to consult the Commission's website prior to the session you wish to attend for cancellation of or changes to the time, place or date of the event.

People who wish to comment on Tidewater's Application, proposed rates, or service quality may file written comments with the Commission, at the above address, no later than **Friday, February 17, 2012, at 4:30 p.m.** Comments can either be mailed to the Commission at the address above or emailed to the Commission at [heidi.wagner@state.de.us](mailto:heidi.wagner@state.de.us).

At a later time that has not yet been determined, the Commission will hold a public evidentiary hearing in this matter. The purpose of an evidentiary hearing is to allow the parties in the case to formally introduce evidence into the record. The Commission will make its decision on the Company's Application based on the record evidence presented at the evidentiary hearing. Only those parties to the case and those entities or individuals who have been granted intervenor status will be allowed to present evidence, cross-examine witnesses, or otherwise participate in the evidentiary hearing. Members of the

public are welcome to attend the evidentiary hearing as observers only. Anyone planning to attend the hearings should consult the Commission's website prior to the evidentiary hearing date for cancellations or changes in the date, time, or place of the event. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions set forth in the Application and may approve a different method for allocating any increase if an increase is found to be appropriate.

You may review the documents related to Tidewater's Application, including the new proposed rates, on the Commission's website at <http://depsec.delaware.gov>. You may also review copies during normal business hours in the Commission's Dover office at the address above. Finally, you may review copies of the such documents at the office of the Division of the Public Advocate ("DPA") located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call the DPA at (302) 577-5077 to arrange for a time to review documents at that location.

You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you can call the Commission at 1-800-282-8574 (toll-free in Delaware) or you may call (302) 736-7500 (voice or text telephone). You may also send questions or request information by Internet e-mail addressed to [heidi.wagner@state.de.us](mailto:heidi.wagner@state.de.us). If you have a disability

and wish to participate in, or to review the materials in these proceedings, please contact the Commission to discuss any auxiliary aids or services which you might need to help you.